PROVINCE OF SASKATCHEWAN

07-08

ANNUAL REPORT

MINISTRY OF FINANCE

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Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor
Province of Saskatchewan

May It Please Your Honour:

I respectfully submit the Annual Report of Saskatchewan Finance for the fiscal year ending March 31, 2008.

Since the election in November 2007, this government has been building on its values of growth, security and promises. During this time, government has been deliberating how to strategically invest in Saskatchewan to ensure the momentum translates into long-term, sustained economic prosperity, and to make certain that the benefits of the growing economy are felt by everyone who calls Saskatchewan home.

We are committed to accountability and to ensuring that we deliver on our commitments. A significant number of commitments have already been made to Saskatchewan people in 2007-08 in the election platform, the Speech from the Throne, and in the public Ministers' mandate letters. This report will provide progress on those commitments as they relate to this Ministry as of March 31, 2008. We look forward to furthering our commitment to improved accountability as 2008-09 progresses.

Rod Gantefoer
Minister of Finance
July 29, 2008

The Honourable Rod Gantefoer
Minister of Finance

Dear Sir:

I have the honour of submitting the Annual Report of Saskatchewan Finance for the fiscal year ending March 31, 2008.

Respectfully submitted,

Doug Matthies
Deputy Minister of Finance
July 29, 2008

Introduction

Since the election of a new government in November 2007, government undertook a reorganization that has not specifically affected this ministry; however Finance has had an important role in implementing many of the government's early commitments. This report is being prepared at a time of transition to a new government's agenda and will provide reporting on all key public commitments made during 2007-08, with a clear accountability for commitments made by the new government since November 2007.

For the purposes of this report, progress will be reported on key commitments aligned with the Ministry's core business areas as of March 31, 2008. This will include key actions and performance measures that were published in 2007-08, but will also include the new government's commitments since November, including the Minister's mandate letter, Throne Speech and other key public commitments.

Ministry Overview

The Ministry of Finance plays a unique role in the affairs of the Province of Saskatchewan. As a central agency, Finance is responsible for advising the government on financial implications associated with its policy decisions. The Ministry, with direction from Treasury Board and Cabinet, assists in managing and controlling the finances of the province to ensure appropriate use of public funds. The Ministry also analyzes and provides advice on tax policy matters in support of a competitive tax regime that supports the government's spending and debt strategies. It maintains a close working relationship with the federal government, other provincial governments and other government bodies within the province to effectively address financial issues of mutual concern.

The Ministry of Finance is responsible for receiving the majority of revenues for the government of Saskatchewan. These include revenues from taxation, transfers from government entities, such as Crown Investments Corporation of Saskatchewan, and transfers from the federal government. Payments are disbursed through Finance to fund public services such as health care, education and road maintenance. To ensure government is accountable to the people of Saskatchewan, Finance assists ministries in their annual performance planning, measuring and reporting processes.

Finance also provides services directly to the public through delivery of the Saskatchewan Savings Bonds program, administration of provincial pension plans and employee benefit plans, administration of provincial tax programs including the Provincial Sales Tax, and communication initiatives to keep the public informed about finance-related issues.

As of March 31, 2008, Finance had 420 Full-Time-Equivalent positions. Staff are trained in fields ranging from economics and accounting to public policy, financial administration, commerce, communications and many other skilled and professional fields. Staff are primarily located in Regina, with regional offices in Saskatoon, Prince Albert, Swift Current and Yorkton.

The following restructuring or major organizational changes were made during 2007-08.

The Business Systems Unit consisting of four Full-Time-Equivalents (FTEs) was moved to the Financial Services Branch from Revenue Division June 1, 2007 during an internal re-organization. This unit now serves all branches within the ministry ensuring a strategic and prioritized IT focus, including providing business systems improvement and information services, management of the ITO service level agreement, and design/maintenance of Finance websites.

The Public Service Commission (PSC) consolidated all human resource services within executive government on October 1, 2007. This included the transfer of 15 FTEs to the PSC from Finance.

Core Business Areas

The Ministry provides the Minister of Finance, Treasury Board, Cabinet and the government with information, analysis, advice and services in eight core business areas.

1. Budget Analysis/Tax Policy
2. Comptrollership/Financial Management
3. Revenue Operations
4. Treasury and Debt Management
5. Government Performance Planning, Measuring, and Reporting
6. Personnel Policy Secretariat
7. Central Management and Services
8. Pension and Benefits Administration

Progress in 2007-08

The Ministry of Finance has made significant progress implementing many of the early commitments made by the new government since it was elected in November 2007, as well as implementing the key actions to which it committed in its 2007-08 Performance Plan. These early commitments support the government's strategic priorities: growth, security and promises.

Below are updates on these commitments that relate to the work of the Ministry of Finance, as they were presented in the Minister's mandate letter and the December 2007 Throne Speech. This is followed by results information and updates for all key actions and performance measures that were published in the 2007-08 Performance Plan, organized into Finance's core business areas.

A New Government Direction – Growth, Security and Promises

Minister's Mandate Letter, November 2007

On November 21, 2007, the Honourable Brad Wall, Premier of Saskatchewan, delivered mandate letters to Cabinet Ministers. Through his mandate letter, the Premier called upon The Honourable Rod Gantefoer to deliver on the commitments listed below. The commitments are followed by an update where significant progress has been achieved. The Finance Minister's mandate letter is available on-line at:
www.gov.sk.ca/cabinet/gantefoer

"Undertake the following measures to reduce taxes, pay down debt and stimulate economic growth"

"Pay down $250-million of the province's debt in our government's first year"

- The March 31, 2008 Public Accounts report a decrease in the province's total debt at March 31, 2008 of $592.5 million, or 5.5 per cent, relative to the province's debt at March 31, 2007.
- Of this amount, government total debt declined $429.7 million and Crown corporation total debt declined $162.8 million.

"Institute a Saskatchewan Student Retention Program that will rebate up to $20,000 in tuition costs for post-secondary graduates who remain in Saskatchewan for seven years after graduation"

- The 2008-09 Budget introduced the Graduate Retention Program, a refundable income tax credit which will rebate up to $20,000 of tuition fees paid by eligible graduates of Saskatchewan post-secondary institutions.

"Double education property tax rebates over four years and increase education property tax rebates on agricultural land from 38% to 80% over four years"

- The 2008-09 Budget took the first step toward government's commitment of doubling the education property tax credit over four years. A $48.7 million increase for education property tax relief, totalling $156.6 million for 2008-09, is the first step toward government's commitment of doubling the education property tax credit over four years. The agricultural portion of the credit will go from 38 per cent to 47 per cent and the residential and commercial portions will go from 10 per cent to 12 per cent. This expanded education property tax credit is a temporary measure until a long-term solution to funding education is determined.

"Eliminate the PST on the purchase of used light vehicles, if the PST has already been paid once on that vehicle in Saskatchewan"

- The Ministry of Finance developed and implemented the required legislation and program parameters to meet this commitment. This included consultations with stakeholders, communications strategies, a transitional refund program (almost 1,400 refunds were issued) and responding to a high volume of inquiries from car buyers and vehicle dealers.

"Provide up to $150 per year/per child to support children's participation in sports, recreational and cultural activities by introducing the Active Saskatchewan Families Benefit for children aged six to 14"

- The 2008-09 Budget introduced the Active Families Benefit, a refundable income tax credit which will annually rebate (beginning in 2009) up to $150 per child for cultural, recreational and sports activities fees for children aged six to 14.

"Help young people to start a business or a career in Saskatchewan, by allowing young entrepreneurs and self-employed youth under 30 to earn $10,000 per year tax free for five years"

- The 2008-09 Budget noted the federal government's refusal to administer this initiative and the government's decision to ask Enterprise Saskatchewan to consider other options to assist entrepreneurs.

"Double the Caregivers Amount Tax Credit"

- The 2008-09 Budget enhanced all of Saskatchewan's disability-related income tax credits, including doubling the caregiver and infirm dependant tax credit amounts and increasing the disability tax credit amounts.

"Increase the research and development tax credit from 15% to 20%"

- The 2008-09 Budget noted the interactions between the provincial and federal tax credits for research and development and committed to examine ways to improve the effectiveness of the provincial incentive.

"Reinstate the Saskatchewan Mineral Exploration Tax Credit"

- The 2008-09 Budget re-introduced the Mineral Exploration Tax Credit for flow-through share agreements entered into after Budget day.

"Eliminate the "wiener roast tax" on firewood purchased at provincial campgrounds"

- On March 17, 2008, the government announced the elimination of the $3 per day campfire permit fee effective April 1, 2008.

"Increase financial and government accountability by passing the Saskatchewan Growth and Financial Security Act, that will:

"Ensure the budget is balanced every year"

- *The Growth and Financial Security Act* received royal assent on May 14, 2008. The Act requires "for each fiscal year, the actual total expenses for the fiscal year must balance with or be less than the actual total revenues for the same fiscal year."

"Dedicate half of budget surpluses to debt reduction and half to economic growth initiatives"

- *The Growth and Financial Security Act* received royal assent on May 14, 2008. The Act requires "if there is a pre-transfer surplus for any fiscal year, the minister shall: (a) transfer 50% of the amount of the pre-transfer surplus to the Growth and Financial Security Fund established pursuant to Part IV; and (b) allocate 50% of the amount of the pre-transfer surplus to the Debt Retirement Fund established pursuant to Part V."

"Ensure government departments and agencies review all programs and services as part of the annual reporting process"

- *The Growth and Financial Security Act* received royal assent on May 14, 2008. The Act requires "in preparing the estimates for a fiscal year, Treasury Board shall review the existing and proposed programs and expenditures of ministries for the following purposes: (a) to determine the adequacy of those programs and expenditures; (b) to evaluate those programs and expenditures as to economy, efficiency and effectiveness and to determine the priorities amongst them; (c) to ensure that there is accountability by the ministries to the Legislative Assembly respecting those expenditures and programs; (d) to achieve any other purposes that Treasury Board considers appropriate."

"Provide the Provincial Auditor with the authority to investigate service agreements between the provincial government and third-party agencies to determine whether the terms of agreements are being met."

- The Ministry of Finance is working with the Ministry of Social Services as they develop a framework to increase the scrutiny over third-party Community Based Organizations that deliver services to vulnerable children.

December 2007 Speech from the Throne

This section details four commitments ***(in bold and italics)*** in the December 2007 Speech from the Throne that pertain to the work of the Ministry of Finance and identifies progress that has been made to fulfill these promise as of March 31, 2008. The December 2007 Speech from the Throne is available on-line at **www.gov.sk.ca/executive-council/throne-speech/**

"My government and its growth agenda will be built on a foundation of sound financial management. That is why my government will introduce The Saskatchewan Growth and Financial Security Act.

This Act will require that the budget of this province be balanced each and every year, instead of every four years as current legislation dictates. This new act will also set out a formula for allocating budgetary surpluses – half to securing the future by paying down debt, and half to investing in the future through economic growth initiatives. The Saskatchewan Growth and Financial Security Act will also ensure the size of the public service will not grow at a rate faster than the population it serves." (page 3)

- As previously mentioned, in response to the Minister's mandate letter, *The Growth and Financial Security Act* received royal assent on May 14, 2008.

"My government will also help young people start a business in Saskatchewan by allowing young entrepreneurs under 30 to earn $10,000 per year tax free for five years." (page 3)

- As previously mentioned, in response to the Minister's mandate letter, the 2008-09 Budget noted the federal government's refusal to administer this initiative and the government's decision to ask Enterprise Saskatchewan to consider other options to assist entrepreneurs.

"My government is committed to reducing the education portion of property taxes by doubling rebates over the next four years. It is the first step in making good on a commitment to achieve a better balance in paying for our education system.

My government's plan applies to both farmland and urban dwellings. Everyone has a stake in the future of our educational system. Everyone is entitled to reap the benefits from adjustments to that system." (page 7)

- As previously mentioned, in response to the Minister's mandate letter, the 2008-09 Budget took the first step toward government's commitment of doubling the education property tax credit over four years.

"Saskatchewan families purchasing a used car or light truck are already benefiting from tax reduction measures introduced by my government. The provincial sales tax now applies only once to the purchase of a vehicle." (page 7)

- As of November 8, 2007, people buying used light vehicles in Saskatchewan do not pay the PST where tax has previously been paid in full.

Progress by Core Business Area

Budget Analysis/Tax Policy

Finance supports effective government decision-making by providing up-to-date information, policy analysis and advice to the Minister of Finance, Treasury Board, Cabinet and government ministries. This includes financial and policy advice on budget decisions, updates on the province's revenue and expense position, as well as information on general economic and social issues. Finance establishes and co-ordinates the budget development process to enable Treasury Board and Cabinet to make effective resource allocation decisions. Finance also analyzes and provides advice on tax policy matters in support of a competitive tax regime that supports the government's spending and debt strategies.

The Ministry is also responsible for working with the federal government on programs such as Equalization, the Canada Health Transfer, the Canada Social Transfer, the Canada Pension Plan, fiscal arrangements concerning First Nations in Saskatchewan and other federal-provincial programs.

As well, the Ministry houses the Saskatchewan Bureau of Statistics, which reports on provincial and national economic indicators.

Commitments

- Issue timely economic and fiscal forecasts, reports and analysis, as well as fiscal strategies and options, to achieve the government's financial plan within fiscal legislation. [2007-08 planned result]

  - Economic and fiscal forecasts were provided in the Budget and Mid-Year Financial Report.

  - Throughout the year, Cabinet and Treasury Board were provided with analysis, strategies and options as required.

- On an ongoing basis, operate a budget process that provides decision-makers with realistic program options and the information necessary to analyze those options. [2007-08 planned result]

  - In 2007-08, as in previous years, Finance provided ministers with detailed, high-quality analysis and recommendations with which they could make well-informed budget and program decisions. Timely decisions were made and the 2008-09 Budget was released on March 19, 2008.

- Issue timely quarterly financial reports to the general public, providing information on the government's current financial position. [2007-08 planned result]

  - The government issued the First Quarter Financial Report on July 27, 2007, the Mid-Year Report on November 29, 2007, and the Third Quarter Financial Report on March 5, 2008.

- Continue to monitor the tax systems of other jurisdictions and the revenue requirements of the government.

  - This work is ongoing and is reported to the Minister of Finance and the Treasury Board as part of the annual budget-development cycle.

Measurement Results

The performance measures described on the following pages attempt to provide an indication of the fairness and competitiveness of Saskatchewan's personal taxes. The measures are prepared on a calendar year basis to coincide with the typical taxation year for income tax purposes. In 2007, the measures were impacted by the full-year impact of the reduction in the PST rate from seven per cent to five per cent on October 28, 2006.

The calculations upon which the performance measurements are based are performed by the Ministry of Finance using internal tax simulation calculations. Each of the measures is based on a determination of combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- each family has two dependent children;
- for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- the single parent family and the two-income family claim $3,000 in deductible child care expenses;
- each family claims available basic personal exemptions, dependent child credits and credits for Canada Pension Plan and Employment Insurance contributions; and,
- for the purposes of interprovincial tax comparisons, Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.

In addition, provincial sales taxes are calculated based upon average family expenditure baskets from the *Survey of Family Expenditures in 2004* (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province. Refundable provincial income tax credits designed to reduce the impact of sales taxes are netted from the sales tax calculations.

Income and sales taxes paid by representative taxpayers

Saskatchewan's tax levels for representative taxpayers provide an indication of the amount of after-tax or disposable income available to residents. Declining tax levels are therefore suggestive of improvements in the relative prosperity of residents.

In 2007, income taxes for each of the representative profiles declined as a result of the indexation of the income tax system (the indexation factor for 2007 was 2.2 per cent). In addition, sales taxes declined as a result of the full-year impact of the reduction in the PST rate in 2006.

Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers

	2000	2001	2002	2003	2004	2005	2006	2007
Single parent family earning $25,000	$ 862	$ 691	$ 619	$ 560	$ 515	$ 466	$ 382	$ 176
One-income family earning $50,000	$ 5,446	$ 4,486	$ 4,2[illegible]	$ 4,005	$ 4,007	$ 4,124	$ 4,001	$ 3,679
Two-income family earning $75,000	$ 7,417	$ 6,983	$ 6,721	$ 6,390	$ 6,432	$ 6,656	$ 6,516	$ 6,096

Source: Ministry of Finance, Tax Simulation Models

Interprovincial tax comparisons for selected average family profiles

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers is indicative of the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces.

Saskatchewan's tax competitiveness relative to other provinces improved in 2007 for the family at $50,000, primarily due to the impact of the sales tax rate reduction.

Tax progressiveness index

The tax progressiveness index measures relative tax levels between different income levels and provides an indication of how progressive, or fair, the provincial tax system is; the higher the index, the more progressive the tax system. The measure compares the income and sales taxes payable by a one-income family earning $100,000 with the taxes payable by a one-income family earning $25,000.

In 2007, the provincial income and sales taxes payable by the higher income family is 52.8 times greater than the taxes payable by the lower income family. The significant increase from 2006 arises because of the relative impacts of the PST rate reduction on the total taxes paid by the two families. This increase in the progressiveness index demonstrates that the PST rate reduction improved the progressiveness, or fairness, of Saskatchewan's personal tax system.

Comptrollership/Financial Management

Finance assists the legislature and the government in controlling and accounting for the receipt and disposition of public money. Through the Office of the Provincial Comptroller, the Ministry develops and maintains the government-wide revenue and expense systems and ensures that effective financial management and accounting procedures are in place. It also prepares and publishes financial accountability reports, including the Public Accounts.

Finance ensures that ministries maintain appropriate financial and management controls and are properly accounting for their revenues and expenses.

Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers

	2000	2001	2002	2003	2004	2005	2006	2007
Single parent family earning $25,000	5th	5th	4th	4th	3rd	3rd	3rd	3rd
One-income family earning $50,000	5th	4th	4th	4th	4th	4th	4th	3rd
Two-income family earning $75,000	4th	4th	4th	4th	4th	4th	4th	4th

Source: Ministry of Finance, Tax Simulation Models

Saskatchewan's Tax Progressiveness Index

2000	2001	2002	2003	2004	2005	2006	2007
12.0	15.0	17.1	18.3	20.2	22.4	26.9	52.8

Source: Ministry of Finance, Tax Simulation Models

Commitments

- Develop and implement a work plan to prepare and release the province's Public Accounts by August 1. [2007-08 planned result]

  - Volume 1 of the 2006-07 Public Accounts was released June 29, 2007.

- Prepare financial statements in accordance with Public Sector Accounting Board (PSAB) standards and work with the Provincial Auditor to resolve differences in opinion. [2007-08 planned result]

  - There were two audit qualifications on the General Revenue Fund's 2006-07 financial statements. (Details provided on page 13)

  - In 2006-07, the Summary financial statements received a clean audit opinion. (Details on page 13)

- Monitor the activities of the PSAB of the Canadian Institute of Chartered Accountants. Implement new standards as soon as approval to do so is obtained. [2007-08 planned result]

  - All PSAB activities are being monitored closely and feedback has been provided to PSAB on documents issued by PSAB for comment.

  - All PSAB recommendations have been implemented in the Summary financial statements. One recommendation, recording pensions on an accrual basis, remains unimplemented in the General Revenue Fund (GRF).

In addition to progress made on planned actions, the Provincial Comptroller monitors entities' compliance with tabling deadlines for their financial statements. Pursuant to *The Tabling of Documents Act, 1991*, entities are required to table their statements within 120 days of their year-end.

On behalf of Treasury Board, the Provincial Comptroller provides approval in advance of the tabling of financial statements. Approval of financial statements by the Provincial Comptroller contributes to timely, reliable and relevant financial reporting by Treasury Board Crowns and agencies.

The following table displays the percentage of entities meeting the tabling deadline of 120 days:

Year	Percentage of Entities Meeting Tabling Deadline
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

- Through our cyclical risk analysis process, we plan to assess the internal controls on approximately 140 financial programs/systems. Where improvements are required, effective solutions will be recommended for implementation. [2007-08 planned result]

  - For the fiscal year 2007-08, we assessed the internal control risk on 159 financial programs/systems. All detected significant internal control deficiencies have been or are being adequately addressed.

- Our goal is to have all audit recommendations accepted and implemented by the affected ministries. This goal is intended to ensure good stewardship over resources and to assist ministries and agencies to have effective accountability and control systems in place.

  - Management has accepted all 84 recommendations that we made in 2007-08.

  - 81 recommendations (96 per cent) have been implemented. The remainder are in various stages of completion.

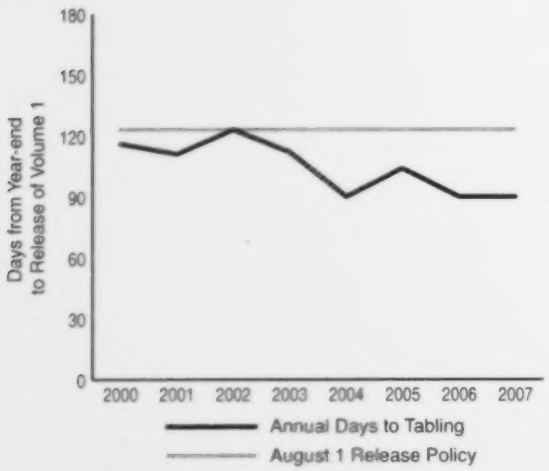
Source: Ministry of Finance, Internal Control Reviews

Measurement Results

Date that Volume 1 of the Public Accounts is released

Timeliness of financial statements contributes to government's accountability. In 2000, the government established a practice of tabling Volume 1 of the Public Accounts on or before August 1. Volume 1 of the 2006-07 Public Accounts was released June 29, 2007. The 2005-06 Public Accounts was released June 29, 2006. The following chart shows the timeliness of the Public Accounts since 2000.

Timeliness Trend
Release of Volume 1 of the Public Accounts



Source: Saskatchewan Public Accounts

Number of audit qualifications on the province's General Revenue Fund financial statements and on the Summary financial statements

Reliability of the financial statements contributes to the government's accountability. Financial statements with few (or no) audit qualifications are considered more reliable than those that have many.

The General Revenue Fund's 2006-07 financial statements had two audit qualifications (2005-06 financial statements: three audit qualifications). The first audit qualification for 2006-07 relates to the pension liability that is disclosed in the notes rather than accrued on the statements. The second relates to the treatment of transfers between the GRF and the Fiscal Stabilization Fund and the Saskatchewan Infrastructure Fund. The province records this transaction in accordance with legislation. These qualifications have appeared in previous years' audit opinions.

There were no qualifications on the Summary financial statements for 2006-07. The Summary financial statements have received a clean audit opinion since 1993-94.

Number of Public Sector Accounting Board (PSAB) standards that have not been implemented in the General Revenue Fund financial statements and in the Summary financial statements

Relevance of financial statements contributes to government's accountability. Financial statements that comply with PSAB standards are considered more relevant than those that do not.

The General Revenue Fund financial statements and the Summary financial statements are relevant. All PSAB recommendations have been implemented in the Summary financial statements for 2006-07. One recommendation, recording pensions on an accrual basis, remains unimplemented in the GRF for 2006-07. The government's GRF financial statements continue to disclose the pension liability in the notes and expense actual cash payments to retired plan members and cash contributions to its pension plans.

During the year, PSAB continued its work on a large project to revise the recommendations related to government transfers (grants). Transfers represent the single largest expense of governments. There are currently differences in accounting treatment for transfers across jurisdictions as well as widespread disagreement on the appropriate treatment between financial statement preparers and auditors. The results of this project could have a significant impact on the timing of transfer expenses and revenues for governments. During the year, PSAB's progress on this project has been closely monitored and feedback provided on documents issued for comment. Other significant PSAB projects being monitored include financial instruments and tax revenue.

Number of significant deficiencies that were detected but not appropriately addressed by the affected ministries

In order to achieve the objective of effective government-wide financial practices, ministries must appropriately address all significant deficiencies that are detected. A significant deficiency is an internal control deficiency that adversely affects government's ability to safeguard its assets and record, process or report financial data reliably. Finance develops and implements financial policies and procedures and conducts internal control reviews to monitor for significant deficiencies in financial programs/systems. This measure will indicate if any significant deficiencies that were detected were not appropriately addressed.

During the past five years, the affected ministries appropriately addressed all detected significant deficiencies.

Source: Ministry of Finance, Internal Control Reviews

Revenue Operations

Finance administers several provincial government revenue and tax rebate programs. This work involves identifying and collecting tax revenues, conducting audits, issuing tax refunds and providing information related to tax and rebate programs.

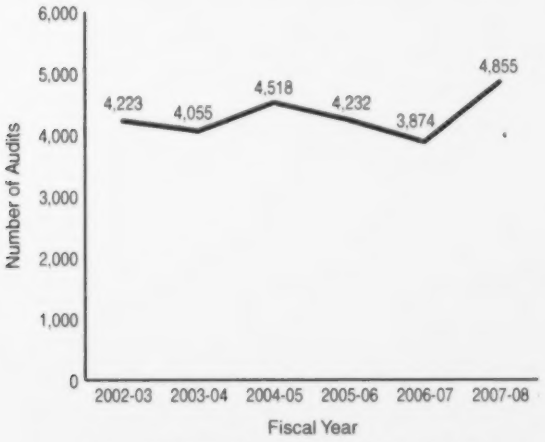
Commitments

- Conduct and report survey results for businesses collecting taxes. [2006-07 planned result]
  - The survey is conducted bi-annually. A survey was conducted in 2006-07 resulting in 89 per cent client satisfaction with the Ministry's quality of service.
  - The next survey will be conducted in 2008-09.
- Respond to most requests for tax information within 24 hours and provide accurate information. [2007-08 planned result]
  - This action was met on a consistent basis.
- Process tax refunds within 21 days of receiving all required documentation. [2007-08 planned result]
  - Over 98 per cent of 2007-08 tax refunds occurred within the 21-day period.
- Continue to promote the Saskatchewan Electronic Tax Service (SETS) to clients through the use of information stuffers included with tax returns every three months and through our website at **www.gov.sk.ca/finance/revenue/efile/default.htm**. [2007-08 planned result]
  - Information stuffers promoting SETS were sent out with tax returns on three occasions during the year.
  - The SETS application was revised based on feedback provided by clients to improve usability.
  - Collection and Enforcement staff promote the SETS payment process to their clients when establishing orderly payment plans.
  - Taxpayer Information Services staff promote the SETS application as part of their Community Visits initiative.
  - Additional SETS help desk staff were trained to ensure that client queries are handled quickly.

Measurement Results

Number of audits conducted on businesses liable for taxes under the statutes administered by Finance

Number of Audits Conducted on Businesses



Source: Ministry of Finance, Revenue Division Time Control Tracking System

In 2007-08, 4,855 audits were conducted on businesses paying or collecting taxes administered by Finance. This represents an increase of 981 audits compared to 2006-07 (3,874 audits). The increase is primarily due to the significant number of small audits associated with refund claims relating to the used vehicle exemption that was announced in November 2007.

Excluding vehicle refunds, 3,477 audits were conducted in 2007-08. This is lower than the number of audits conducted the previous year. The decline is primarily due to two factors:

- The used vehicle exemption and corresponding refund applications necessitated the allocation of resources to that activity, reducing the availability of resources to conduct the types of audits that are typically conducted on businesses operating in the province.
- More audit time was allocated to the larger, complex audits in 2007-08 given the higher degree of tax risk associated with those audits.

The downward trend in the number of audits completed over the past few years is a function of two factors. First, employee turnover has a significant impact on the number of audits completed, and in recent years the Revenue Division has faced and continues to face significant turnover in professional staff. In addition, with the increase in economic activity in the province, particularly in the resource sector, more time has been dedicated in the last few years (as noted earlier on this page) to ensuring that large corporations expanding their activity in the province are properly accounting for taxes. With more time spent on large, complex files, fewer audits have been conducted.

A reasonable target for the number of audits that will be conducted in 2008-09 is 3,675, which is the average number of audits conducted over the past two years (excluding the vehicle refund program in 2007-08). Emphasis will again be placed on the large complex audits. It should be noted, however, that staff turnover can affect the number of audits conducted in any particular year.

The number of audits is derived from weekly timesheets prepared by audit staff and recorded in the Revenue Division's Time Control Tracking System. The system accumulates the weekly activities from the various work units throughout the Division. The data is driven by weekly timesheets prepared by each employee.

Percentage of businesses, which collect taxes on behalf of government, that are satisfied with the Ministry's quality of service

In 2002-03, the Ministry committed to conducting bi-annual client satisfaction surveys of businesses collecting taxes on behalf of government. This allows businesses to evaluate the Ministry's performance and helps the Ministry determine how its timeliness of responses, refunds and adjustments may be improved.

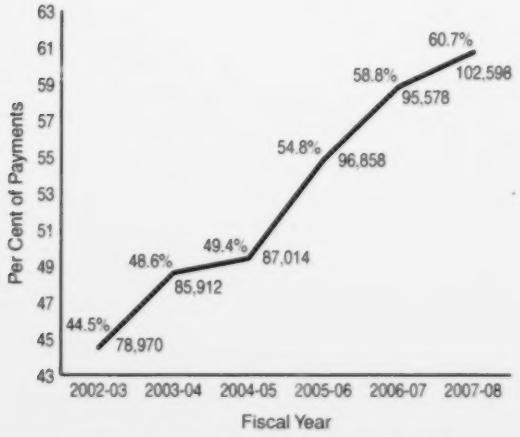
The next survey will be conducted in 2008-09.

Percentage of businesses, which collect taxes on behalf of government, that are satisfied with the Ministry's timeliness of responses, refunds and adjustments

In 2002-03, the Ministry committed to conducting bi-annual client satisfaction surveys of businesses collecting taxes on behalf of government. This allows businesses to evaluate the Ministry's performance and helps the Ministry determine how its timeliness of responses, refunds and adjustments may be improved.

The next survey will be conducted in 2008-09.

Percentage of tax payments processed electronically



Source: Ministry of Finance, Revenue Division Statistical Reports

Previous reports measured the number of businesses that filed returns on-line. The measure was determined from statistical reports generated from the SETS system. SETS was introduced in September 2001 to offer businesses a secure, fast, and convenient alternative to filing and paying tax returns in paper format. The service is available for most revenue and refund programs administered by the Ministry, including: Provincial Sales Tax, Liquor Consumption Tax, Tobacco Tax, Fuel Tax, Corporation Capital Tax (instalment payments only), Insurance Premiums Tax, Beverage Container Program, and the International Fuel Tax Agreement.

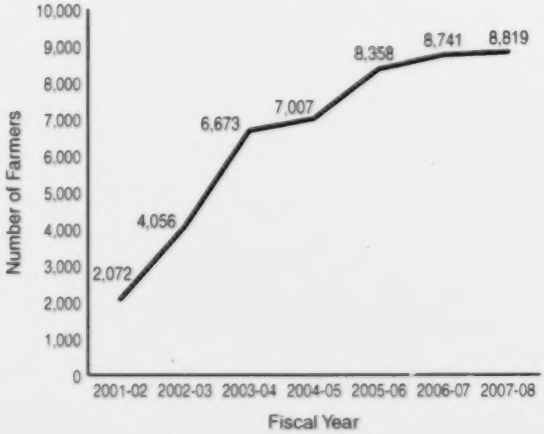
The Ministry uses the percentage of tax payments processed electronically as a measure of performance in meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other business activities. The measure is determined from statistical reports generated from the main revenue system.

In 2007-08, system changes revealed a system problem that affected the reporting program used to determine this measure. A revised reporting method was introduced for calculating the 2007-08 measure. The 2006-07 results have also been restated. In 2007-08, 102,598 payments were processed electronically. This is a 1.90 per cent increase over the revised 2006-07 result using the same measure.

The Ministry influences this performance measure by offering additional services, enhancing existing services and continuing to encourage businesses to use SETS. Extending the electronic services offered by the Ministry does not assure take-up. A balance is required to ensure the electronic services offered meet the needs of Saskatchewan businesses.

Number of farmers that applied for fuel tax permit renewals on-line

Number of Farmers Using SETS



Source: Ministry of Finance, SETS

SETS was enhanced in February 2002 to offer farmers, commercial fishers, loggers, and trappers a secure, fast, and convenient alternative to filing their Fuel Tax exemption permit renewal in paper format. Ongoing enhancements to SETS are part of continuing efforts by the Ministry to reduce regulatory burden and meet our goal of providing excellent service to our clients.

The number of farmers that filed permit renewals on-line measures the Ministry's performance in meeting the objective of ease of tax compliance. The measure is calculated from the SETS database of those who apply for permit renewals for each renewal period. Applicants are primarily farmers but also include 30 commercial fishers, loggers and trappers.

In 2007-08, 8,819 farmers filed rebates or permit renewals using SETS (there are approximately 45,000 active permit holders in the program). This is a 0.8 per cent increase over the 2006-07 result. This increase is related to the efforts made promoting the service. Farmers using SETS are able to save time and money on regulatory compliance, instead of channeling their resources from other business activities.

The Ministry influences this performance measure by offering additional services, enhancing existing services, and continuing to encourage farmers to use SETS. Extending the electronic services offered by SETS does not assure take-up. A balance is required to ensure the services offered through SETS meet the needs of Saskatchewan farmers.

Treasury and Debt Management

Finance borrows to meet the funding requirements of the government, including Crown corporations and other government agencies. It manages the provincial debt and the cash position of the General Revenue Fund. It also provides an investment management service for various funds administered by the government, Crown corporations and other agencies.

Commitments

- On an ongoing basis, optimize the government's cost of borrowing through:
  - strategic financing
  - cash management
  - debt administration and foreign exchange and risk management [2007-08 planned result]

  During fiscal 2007-08, the province borrowed $626.0 million for both the Crown corporation sector and general government purposes. Of this, $442.3 million was raised in capital markets and $183.7 million was raised through the sale of Saskatchewan Savings Bonds to Saskatchewan residents.

Measurement Results

Government Debt to GDP Ratio

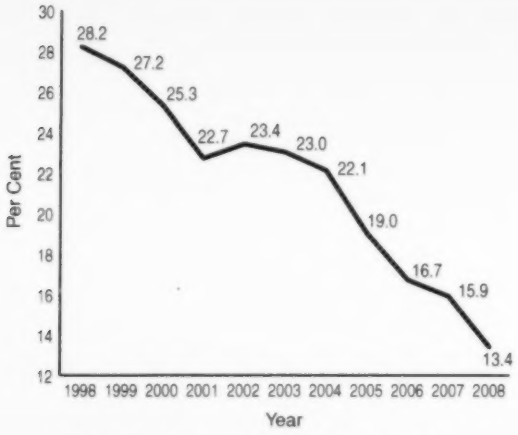
Investor confidence is influenced by this ratio because it provides a measure of the province's debt relative to the size of the economy. One facet of the government's financial plan is to manage government debt levels.

At March 31, 2008, the government debt-to-GDP ratio was 13.4 per cent, a drop of 2.5 percentage points from the March 31, 2007 level of 15.9 per cent. This is the lowest debt-to-GDP ratio since March 31, 1986.

This ratio is influenced by the state of the global, North American and Canadian economies, as well as the level of government debt.

This ratio is calculated by dividing GDP for the previous calendar year by the level of government debt at March 31. Debt is gross debt net of sinking funds plus guaranteed debt. Gross debt is the amount owed directly to lenders and sinking funds are funds set aside for the repayment of that debt. Guaranteed debt is the debt of others that the province has promised to repay if they are unable to do so. Government debt is debt borrowed to finance government programs as opposed to debt borrowed for, and repayable by, Crown corporations. GDP, or gross domestic product, is the total value of all goods and services produced in the economy. Nominal GDP is used for this calculation.

Government Debt and Guaranteed Debt as a % of GDP



Source: Saskatchewan Public Accounts and Saskatchewan Provincial Economic Accounts

Credit Ratings

A credit rating is an independent evaluation by a recognized objective agency of a borrower's willingness and ability to service and repay debt.

Investors rely on credit ratings when making investment decisions. Many investors have guidelines that are based on credit ratings (e.g., must purchase bonds rated "AA" or higher). Therefore, a borrower's credit rating will impact the availability of credit, both in terms of the number of investors and the pool of funds it can tap.

All credit rating agencies now rate the province at the "AA" level. This is extremely important to international investors, many of whom have a "AA" credit rating requirement for investment.

Government Performance Planning, Measuring, and Reporting

Finance works to improve program effectiveness, budgeting, performance measurement and reporting practices across government. It works with ministries to develop and implement a "managing for results" approach within executive government, to provide analysis and advice to Treasury Board and to undertake analysis of assigned special projects and reviews.

Commitments

- Further the intentions of the Accountability Framework by improving the quality of performance plans and ensuring an effective integration of budgeting and planning processes for government. [2007-08 planned result]

  - In 2007-08, Finance published specific content requirements identifying best practices and offering advice and assistance to client ministries. Finance worked with ministries to improve the quality of plans and performance measures and focused on internal reporting documents to complement the planning and budget process.

  - Since the new government was elected in November of 2007, a decision was made not to release 2008-09 Performance Plans with the budget; but to allow additional time to evaluate options for renewed government accountability.

- Lead special projects and program reviews in collaboration with ministries to improve the performance of government programs and to provide better information for government decision-making. [2007-08 planned result]

  - Finance continues to integrate program assessment and review into the planning and budgeting process, and encourages ministries to use the information gathered from program assessments to inform their plans and budget submissions.

  - This work will complement the new requirements for program reviews within *The Saskatchewan Growth and Financial Security Act*.

- Monitor and evaluate the risk management activity within five ministries, collaborate with other central agencies leading various risk management initiatives for government, and review developments in other jurisdictions, to provide recommendations for a government-wide framework to integrate risk management practices into existing planning and budgeting processes.

  - Five government agencies participated in a pilot project to begin using risk management techniques to assess their own operations.

The experience of these ministries was evaluated to determine best practices that could be shared with other ministries as they undertake this work.

- In the summer of 2007, Finance organized risk management presentations and workshops for senior officials across executive government. These sessions provided officials with some background and training to begin incorporating enterprise risk management into the planning and budget process.

- Provide advice, consultative services, and training to ministries to build capacity and improve government processes related to risk management, program review, performance planning and public and internal reporting. [2007-08 planned result]

  - Each year, Finance reviews the previous planning cycle and revises the content requirements to ensure the following year's plans and annual reports are improved.

  - Where possible, the Provincial Auditor's suggestions and recommendations are incorporated.

Measurement Results

Provincial Auditor's overall assessment of the quality of performance plans and annual reports

Fiscal Year	Provincial Auditor's Report	Assessment
2006-07	2007 Vol. 3, Chapter 9	Neutral*
2005-06	2006 Vol. 3, Chapter 14	Positive
2004-05	2005 Vol. 3, Chapter 11	Positive
2003-04	2004 Vol. 3, Chapter 15	Positive
2002-03	2003 Vol. 3, Chapter 13	Positive

* The Terms of Reference for the Provincial Auditor's review changed in 2007, so assessments are not directly comparable.

Source: Provincial Auditor's reports are available on-line at **www.auditor.sk.ca/**

The terms of reference for the Provincial Auditor's assessment changed in 2007, the year in which he was to review the 2006-07 Annual Reports. With this review, instead of assessing individual ministries' annual reports, the Provincial Auditor chose to review Finance's guidelines and annual requirements to determine if they are adequately moving ministries toward full implementation of the Canadian Comprehensive Auditing Foundation (CCAF) principles for public reporting.

The results of the Provincial Auditor's assessment were mixed. The Provincial Auditor recognized that Finance's guidelines address many of the nine CCAF principles, but that further guidance is needed in the areas of setting targets, explaining key risks and capacity issues, and further integrating financial and non-financial information. While Saskatchewan has been challenged to fully implement these remaining principles, this is a problem that is not uncommon among public sector organizations.

Personnel Policy Secretariat

The Personnel Policy Secretariat provides advice, analysis and secretariat support to the Cabinet committee responsible for considering public sector compensation and co-ordinates implementation of Cabinet decisions related to its mandate. The Secretariat is responsible for strategic policy development and analysis on matters related to public sector compensation and management of collective bargaining. The unit collaborates with other officials in the Ministry of Finance and relevant line ministries on financial parameters for collective bargaining, and with government organizations in the development of human resource policies that have compensation implications.

Substantial progress was made towards concluding the current round of public sector collective bargaining, with 14 tables reaching agreement during the fiscal year. The majority of employers have concluded bargaining, the only major exception being in the health sector, which has a number of agreements expiring at the conclusion of the 2007-08 fiscal year. The Nurses (i.e., SUN) and Provider Group (i.e., CUPE, SEIU and SGEU) collective agreements expired as of March 31, 2008.

Central Management and Services

Central Management and Services provides direction, guidance and support for internal operations and client agencies. This work includes executive management and the management of communications, financial services, procurement, information technology, security and facilities.

Pensions and Benefits Administration

Finance, through the Public Employees Benefits Agency (PEBA), administers pension and benefit programs for employees of the executive government, Crown corporations and government-funded bodies.

As part of its mandate, PEBA ensures that the plans are administered in accordance with legislation and the prevailing governance system. Plan design is reviewed regularly to ensure that the needs of plan members and employers are addressed.

PEBA's operating costs are charged to each of the plans under its administration as an administrative cost. These costs are reported annually in the Public Employees Benefits Agency Revolving Fund Annual Report.

An annual report is prepared and tabled for each pension and benefit plan under PEBA's administration. For more information, go to **www.peba.gov.sk.ca** and click on the "Publications" link.

In 2007-08, the Public Employees Pension Plan (PEPP) introduced Investment Choice for the approximately 45,000 active and inactive members – moving to seven investment fund choices from two investment funds.

In addition, PEPP *Access* on-line services were introduced providing PEPP members with 24 hour per day web access account information and an on-line retirement planning tool (Retire@Ease).

2007-08 Financial Overview

Expense

In 2007-08, the Ministry had expenses of $284.5 million, which was down from the Budget Estimate of $287.3 million. Excluding pensions and benefits, the Ministry spent $41.5 million, down $2.0 million from the Budget Estimate of $43.5 million and primarily due to delayed staffing. Spending for pensions and benefits decreased $0.9 million from the Budget Estimate of $243.9 million. This was primarily due to reduced Canada Pension Plan, Employment Insurance and Workers' Compensation premiums related to 2008 rate reductions, and fewer Public Service Superannuation Plan refunds than anticipated. The Supplementary Estimates – December provided $0.4 million additional funding for an increased loss provision to cover the uncollectible tax revenue loss resulting from increased tax revenue growth, and $3.7 million for increased salary-based employer pension and benefit costs due to higher than anticipated employee salary costs across government.

Expense

The following table outlines information on budgeted and actual expense by subvote and subprogram. Variance explanations are provided for all changes greater than $100,000.

Program	(thousands of dollars) 2007-08 Budget	2007-08 Actual	2007-08 Variance	Notes
Central Management and Services	**$ 7,103**	**$ 6,581**	**$ (522)**	1
Treasury and Debt Management	**2,933**	**2,537**	**(396)**	2
Provincial Comptroller	**9,083**	**7,697**	**(1,386)**	3
Budget Analysis	**4,915**	**5,036**	**121**	4
Revenue	**17,882**	**17,989**	**107**	
Revenue Division	14,412	13,570	(842)	5
Allowance for Doubtful Accounts	1,200	2,100	900	6
CRA Income Tax Administration	970	1,019	49	
Driver Licence Photo Identification Program	1,300	1,300	0	
Personnel Policy Secretariat	**415**	**620**	**205**	7
Miscellaneous Payments	**96**	**122**	**26**	
Bonding of Public Officials	21	80	59	
Unforeseen and Unprovided For	50	43	(7)	
Implementation of Guarantees (Statutory)	25	0	(25)	
Pension and Benefits	**243,860**	**242,925**	**(935)**	
Public Services Superannuation Plan (Statutory)	109,330	107,861	(1,469)	8
Members of the Legislative Assembly (Statutory)	3,109	2,803	(306)	9
Judges Superannuation Plan (Statutory)	2,468	2,689	221	10
Public Employees Pension Plan	48,186	48,400	214	11
Canada Pension Plan – Employer's Contribution	26,303	25,854	(449)	12
Employment Insurance – Employer's Contribution	11,923	11,879	(44)	
Workers' Compensation – Employer's Assessment	9,925	8,931	(994)	13
Employees' Benefits – Employer's Contribution	31,147	33,428	2,281	14
Services to Public Services Superannuation Plan Members	1,326	1,208	(118)	5
Public Employees Benefits Agency Revolving Fund – Subsidy - Net Expense (Recovery) (Statutory)	143	(129)	(272)	15
Amortization of Capital Assets	**1,061**	**955**	**(106)**	
Machinery and Equipment	4	0	(4)	
Office and Information Technology	996	887	(109)	16
Land, Building and Improvements	61	68	7	
Total Expense	**$ 287,348**	**$ 284,463**	**$ (2,885)**	
Capital Asset Acquisitions	600	1,012	412	17
Capital Asset Amortization	(1,061)	(955)	106	
Total Appropriation	**$ 286,887**	**$ 284,519**	**$ (2,368)**	

Explanations of Major Variances

1 Savings due to the transfer of HR staff to the PSC. Lower-than-anticipated ITO service costs including shared services charge and discretionary purchases. Reduced communications costs with respect to 2008-09 Budget.

2 Lower-than-expected bank service charges as well as salary savings due to vacancies.

3 Delayed staffing due to hiring constraints and difficulty recruiting qualified candidates. A planned expansion of MIDAS was budgeted as operating expense but will now be capitalized.

4 Severance costs to three employees.

5 Vacancy management.

6 Loss provision higher than budgeted due to increased revenues and accounts receivable ($0.4 million provided in Supplementary Estimates – December).

7 Severance payment.

8 Fewer refunds than anticipated.

9 Rate of return for the Supplementary Retirement Plan was lower than anticipated.

10 Retirement of one judge was earlier than anticipated.

11 Increase in employer contribution for Corrections workers ($1.1 million provided in Supplementary Estimates – December and fully offset by lower-than-anticipated winter salaries).

12 Lower premium due to maximum insurable earnings for 2008 being lower than forecast and continued hiring constraints throughout government.

13 Lower premium due to a reduction in the 2008 contribution rate and continued hiring constraints throughout government.

14 Difference between estimated and actual SGEU retro adjustment that was accrued at year-end for the Extended Health Care Plan. Health and dental benefits coverage shortages. ($2.6 million provided in Supplementary Estimates – December)

15 New capital assets additions lower than budgeted due to delayed commencement of a capital project.

16 Due to the transfer of MIDAS HR to the PSC.

17 Additional capital expenditures on the Building Renewal Project and development of the MIDAS Inventory module, originally budgeted for as operating.

Revenue

The Ministry of Finance collects revenue relating to taxation, transfers from other government entities, interest, premium, discount and exchange, motor licence fees, transfers from the federal government, and other smaller revenue sources. All revenue collected is deposited into the General Revenue Fund (GRF). In 2007-08, the Ministry accounted for 71 per cent of total GRF revenue.

Actual revenue at the Ministry was $1.0 billion higher than the budgeted amount. The increase from Budget was primarily due to a $628.4 million increase in taxation revenue as the result of continued economic strength, and a $296.5 million increase in federal transfers, mainly due to receipt of an unbudgeted $224.1 million Equalization payment and unbudgeted, one-time federal funding of $104.0 million for targeted initiatives.

Other own-source revenue was also higher than budgeted, primarily due to higher interest earnings and a significant increase in transfers from the Saskatchewan Liquor and Gaming Authority (SLGA) and the Saskatchewan Gaming Corporation (SGC).

The following section shows estimated and actual revenue, describes the Ministry's revenue sources and includes variances explanations for changes greater than $5 million.

	(thousands of dollars)		
Source	**2007-08 Budget**	**2007-08 Actual**	**2007-08 Variance**
Corporation Capital Tax	$ 430,700	$ 430,604	$ (96)
Corporation Income Tax	460,000	673,641	213,641
Fuel Tax	380,300	406,434	26,134
Individual Income Tax	1,685,000	1,938,258	253,258
Sales Tax	874,500	995,995	121,495
Tobacco Tax	178,300	190,412	12,112
Other	88,100	89,912	1,812
Taxes	**4,096,900**	**4,725,256**	**628,356**
Crown Investments Corporation of Saskatchewan	200,000	200,000	0
Saskatchewan Liquor and Gaming Authority	350,700	399,531	48,831
Other Enterprises and Funds	32,557	42,262	9,705
Transfers from Crown Entities	**583,257**	**641,793**	**58,536**
Interest, Premium, Discount and Exchange	74,187	100,689	26,502
Motor Vehicle Fees	134,900	140,624	5,724
Other Licences and Permits	91	88	(3)
Sales, Services and Service Fees	20	20	0
Other	4,873	6,195	1,322
Other Revenue	**214,071**	**247,616**	**33,545**
Canada Health Transfer	760,700	739,648	(21,052)
Canada Social Transfer	337,900	325,098	(12,802)
Equalization Payments	0	226,146	226,146
Other	2,208	106,436	104,228
Transfers from the Federal Government	**1,100,808**	**1,397,328**	**296,520**
Total Ministry of Finance Revenue	**$ 5,995,036**	**$ 7,011,993**	**$ 1,016,957**

Corporation Capital Tax

Corporation Capital Tax (CCT) consists of the normal Capital Tax, which is levied on the amount of paid-up capital in excess of $10,000,000. An additional exemption of up to $10,000,000 is available to corporations depending on the proportion of total wages and salaries that are paid in Saskatchewan. For new capital investments, the general CCT was eliminated as of July 1, 2006. On July 1, 2007, the general CCT rate was lowered from 0.3 per cent to 0.15 per cent, other than for provincial Crown corporations and financial institutions.

The CCT also consists of a Resource Surcharge, which is charged against the value of resource sales of large resource corporations. In conjunction with the reduction in the general CCT, the CCT Resource Surcharge general rate was reduced from 3.3 per cent to 3.1 per cent, while the special fourth-tier rate was reduced from 1.85 per cent to 1.75 per cent on July 1, 2007.

Corporation Income Tax

Corporate Income Tax (CIT) is administered on the province's behalf by the federal government using a common national determination of corporate taxable income. For a particular taxation year, the federal government makes instalment payments to the province on the basis of estimates, which are reconciled to actual assessments once tax returns for that taxation year have been filed. These reconciliations are accounted for approximately 15 months after the end of a taxation year (i.e., the adjustment payment for the 2006 taxation year was received by the GRF in the fourth quarter of 2007-08).

On July 1, 2007, the CIT general rate was lowered from 14 per cent to 13 per cent and the small business income threshold was increased from $400,000 to $450,000. Currently, the small business CIT rate is 4.5 per cent, while the rate for companies involved in manufacturing and processing activities is as low as 10 per cent, depending on the extent of the company's presence in the province.

CIT revenue increased $213.6 million, or 46.4 per cent, from the Budget Estimate. The increase from Budget is primarily due to stronger-than-anticipated assessments for the 2006 taxation year that led to a higher prior-year reconciliation payment than forecast at Budget.

In addition, instalment payments in 2007-08 were higher than budgeted as the result of higher federal estimates of the national corporate tax base for 2007 and 2008, as well as an increase in Saskatchewan's share of the base, upon which initial payments are made to the province.

Fuel Tax

Fuel Tax is levied on purchases of all types of fuel under the authority of *The Fuel Tax Act, 2000*. The tax ranges from a fixed rate of 1.5 cents per litre on aviation fuel to 15 cents per litre on gasoline and diesel. Saskatchewan provides an 80 per cent exemption for farm-use diesel fuel and unleaded gasoline purchased at bulk-fuel dealers, as well as for the use of diesel fuel by primary producers in their off-road activities. First Nations retailers are also eligible to receive a refund of the Fuel Tax on eligible on-reserve purchases by First Nations individuals, as are commercial aircraft carriers that purchase fuel for international flights.

Fuel Tax revenue increased $26.1 million, or 6.9 per cent, from the Budget Estimate. The increase is primarily due to higher-than-expected fuel consumption, particularly diesel and gasoline, including ethanol-blend. This increase is consistent with continued high levels of economic activity in the province.

Individual Income Tax

Saskatchewan's Individual Income Tax is administered on the province's behalf by the federal government using a common national determination of taxable income. For a particular taxation year, the federal government makes instalment payments to the province on the basis of estimates, which are reconciled to actual assessments once tax returns for that taxation year have been filed. These reconciliations are accounted for approximately 15 months after the end of a taxation year (i.e., the adjustment payment for the 2006 taxation year was received by the GRF in the fourth quarter of 2007-08).

Individual Income Tax revenue increased $253.3 million, or 15.0 per cent, from the Budget Estimate. The increase is due to higher-than-anticipated assessments for the 2006 taxation year that resulted in a higher prior-year reconciliation payment than forecast at Budget. In addition, the higher level of taxable income in 2006, combined with stronger growth forecasts for 2007 and 2008 compared to Budget assumptions, led to higher instalment payments over the course of 2007-08.

Sales Tax

Sales Tax includes revenue from the Provincial Sales Tax (PST) and the Liquor Consumption Tax (LCT). The PST rate is a five per cent sales tax applied to certain goods and services, while the LCT rate is a 10 per cent tax on the total selling price of beer, wine and spirits. Effective November 8, 2007, the PST no longer applies to used light vehicles on which the tax has been previously paid.

Sales Tax revenue increased $121.5 million, or 13.9 per cent, from the Budget Estimate. The increase is primarily due to an increase in the PST component as the result of much higher levels of consumption and business investment in 2007 and 2008 than forecast at Budget. Nominal GDP is currently estimated to have increased by approximately 11 per cent in 2007, compared to a Budget forecast of 3.2 per cent.

Tobacco Tax

The Tobacco Tax is levied on retail purchases of all types of tobacco under the authority of *The Tobacco Tax Act, 1998*. The tax rate is 18.3 cents per cigarette of gram of tobacco. A major component of Saskatchewan's Tobacco Tax is the refund available to First Nations retailers on eligible on-reserve tobacco sales to First Nations individuals.

Tobacco Tax revenue increased $12.1 million, or 6.8 per cent, primarily due to higher-than-forecast tobacco consumption, primarily cigarettes. This increase was partially offset by higher-than-budgeted First Nations refunds.

Other Taxes

Other Taxes revenue includes Insurance Premiums Tax, Motor Vehicle Insurance Tax, Fire Prevention Tax, Pari-Mutuel Tax, and Succession Duties.

Crown Investments Corporation of Saskatchewan

The dividend from the Crown Investments Corporation (CIC) of Saskatchewan is based on CIC net earnings, which are paid to the General Revenue Fund (GRF).

Saskatchewan Liquor and Gaming Authority

The Saskatchewan Liquor and Gaming Authority (SLGA) dividend to the GRF is based on the net income of the Authority. The SLGA is responsible for the distribution, operation and regulation of liquor and gaming activity in the province, including responsibility for the Saskatchewan Indian and Gaming Authority (SIGA). Dividends from SLGA consist of retail liquor net income, gaming (VLT) net income and SIGA net income.

The SLGA transfer to the GRF increased $48.8 million, or 13.9 per cent, from the Budget Estimate. The increase is due to higher-than-anticipated sales volumes and the resulting increase in retail liquor net income, as well as higher-than-budgeted SIGA net income. These results are consistent with continued strength in Saskatchewan personal incomes and a growing population. SIGA opened its fifth casino in 2007-08, Dakota Dunes, but its impact on the 2007-08 dividend transfer was marginal in its first year of operation.

Other Enterprises and Funds

Other Enterprises and Funds include dividends paid to the GRF by other government enterprises and special funds. This includes Saskatchewan Gaming Corporation (SGC) net income and one-time dividends from other government entities.

Revenue increased $9.7 million, or 29.8 per cent, from the Budget Estimate, reflecting higher net income at SGC.

Interest, Premium, Discount and Exchange

Revenue from this source includes interest received on bank deposits, sinking fund earnings and interest on advances, investments and accounts receivable.

Interest, premium, discount and exchange increased $26.5 million, or 35.7 per cent, from the Budget Estimate. The increase is primarily due to higher-than-expected investment income on available working capital due, in part, to the fact that the budgeted withdrawals from the Fiscal Stabilization Fund and the Saskatchewan Infrastructure Fund did not occur. Higher-than-budgeted revenue in 2007-08 also contributed to an increase in interest earnings.

Motor Vehicle Fees

Revenue from this source includes licences, fees and registrations with respect to motor vehicles and is collected by Saskatchewan Government Insurance (SGI) on behalf of the province. It does not include any insurance portion of vehicle plating costs.

Motor vehicle fees increased $5.7 million, or 4.2 per cent, from the Budget Estimate. The increase is primarily due to higher-than-anticipated economic activity across the province that led to increased revenue from vehicle registrations, driver's licences, and fees collected from commercial trucks and buses under the International Registration Plan.

Other Licences and Permits

Other Licences and Permits revenue consists of annual licence and decal fees collected from inter-jurisdictional truckers under the International Fuel Tax Agreement (IFTA).

Sales, Services and Service Fees

Sales, Services and Service Fees revenue in the Ministry of Finance consists of debt guarantee fees.

Other Other Revenue

Other Other revenue consists of all other recurring operational revenue not otherwise classified, including refunds of prior-years' expenditures, recovery of loans, and contributions by employees and others to retirement and insurance plans.

Canada Health Transfer

The Canada Health Transfer (CHT) assists provinces and territories in maintaining the national criteria and conditions in the *Canada Health Act*. Funding for the CHT is made up of cash payments from the federal government and tax transfers to the provinces and territories.

Saskatchewan received $739.6 million in CHT cash contributions from the federal government, $21.1 million below the Budget Estimate primarily due to prior-year reconciliations and changes in the value of tax points and population estimates, both of which reduced Saskatchewan's cash entitlement in 2007-08.

Canada Social Transfer

The Canada Social Transfer (CST) assists provinces and territories in providing post-secondary education, social assistance and social services, including early childhood development and early learning and child care. Funding for the CST is made up of cash payments from the federal government and tax transfers to the provinces and territories.

Saskatchewan received $325.1 million in CST cash contributions from the federal government, $12.8 million below the Budget Estimate primarily due to negative prior-year adjustments.

Equalization

Equalization is a federal program that provides unconditional payments to provinces with a below-average fiscal capacity so that all provinces can provide reasonably comparable levels of service at reasonably comparable levels of taxation.

In 2007, the federal government introduced significant reforms to the Equalization program, including the move to a 10-province standard, the use of a three-year rolling average to calculate entitlements, with a two-year data lag, and a fiscal capacity cap on entitlements that is based on the fiscal capacity of the least wealthy "have" province.

The 2007-08 Budget Estimate was zero, based on previously announced provincial entitlements under the previous formula. As a result of the 2007 reforms, Saskatchewan received an unbudgeted payment of $226.1 million.

Other Transfers from the Federal Government

Other federal transfer revenue consists of a legislated subsidy from the Government of Canada, as well as various federal-provincial cost-sharing agreements, including federal funding for targeted initiatives that are funded via third-party trusts.

In 2007-08, the Ministry received $106.4 million in other transfers from the federal government, $104.2 million higher than budgeted.

The increase is primarily due to the Ministry's receipt of $104.0 million in unbudgeted federal funding that was announced in the federal 2007-08 budget. The funding was announced only three days prior to the Saskatchewan budget and is meant for multi-year environmental, health care, labour market and child care initiatives.

Revolving Funds

The Ministry is responsible for the Public Employees Benefits Agency Revolving Fund that accounts for the administration costs of the various pension plans and benefit programs administered by PEBA. The costs incurred by the Fund for providing services are allocated to, and reimbursed primarily by, various pension and benefit plans. For more information about this Fund, please visit the following website: **www.peba.gov.sk.ca/Agency/peba_ann_reports.html**

For More Information

If you have any questions or comments, please call 1-866-862-6246.

For additional copies of this Annual Report, call 787-6623.

All Saskatchewan Finance programs and services can be accessed at **www.finance.gov.sk.ca**. Publications can be accessed by clicking on the "Publications" tab.

Appendix A: Senior Management Committee

Doug Matthies, Deputy Minister

Margaret Johannsson, Assistant Deputy Minister
Revenue Division

Karen Layng, Assistant Deputy Minister
Treasury Board Branch

Kirk McGregor, Assistant Deputy Minister
Taxation and Intergovernmental Affairs Branch

Terry Paton, Provincial Comptroller
Provincial Comptroller's Division

Dennis Polowyk, Assistant Deputy Minister
Treasury and Debt Management Division

Brian Smith, Assistant Deputy Minister
Public Employees Benefits Agency

Joanne Brockman, Executive Director
Economic and Fiscal Policy Branch

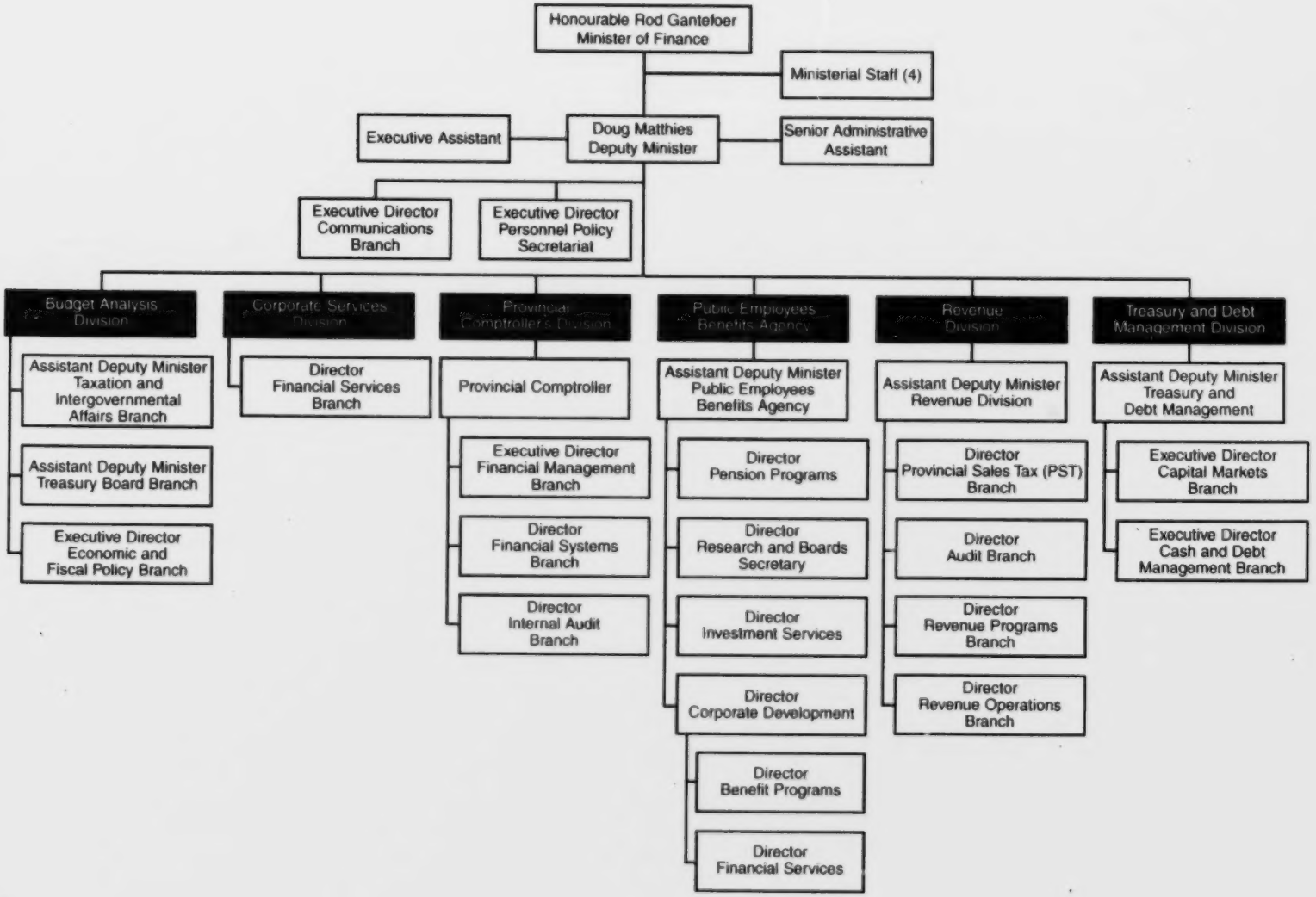
Mike Woods, Executive Director
Communications Branch

Louise Usick, Director
Financial Services Branch

Tricia Kaminski, Executive Assistant
to the Deputy Minister

Dana Fauth, Senior Administrative Assistant

Appendix B: Organizational Chart



Appendix C: Public Employees Benefits Agency

The Public Employees Benefits Agency (PEBA) provides the day-to-day administration of public sector pension and benefit programs.

PEBA's current strategic plan was formed in the 2005-06 fiscal year. It was reviewed in December 2006 and updated again in December 2007.

PEBA continued to provide research and guidance to pension and benefits boards to facilitate the documenting of each pension board's governance strategy. Good governance includes developing, documenting, implementing and abiding by policies and procedures that facilitate the efficient administration of pension and benefit plans. The documentation and ongoing review of governance is an expectation in the pension and benefit industry.

Combined, the pension, retirement and annuity fund have 63,000 members and 12,000 pensioners; and the benefit plans have 77,000 members. Individuals may be members of a pension plan and more than one benefit plan.

PEBA administers the following pension and benefit plans:

Pension Programs

Anti-Tuberculosis League Employees Superannuation Plan

Judges of the Provincial Court Superannuation Plan

Saskatchewan Liquor Board Superannuation Plan

The Members of the Legislative Assembly Benefits Act

Municipal Employees' Pension Plan

Public Employees Pension Plan

Public Service Superannuation Plan

Saskatchewan Pension Annuity Fund

Saskatchewan Transportation Company Employees Superannuation Plan

Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board

Benefit Plans

Additional Pension Contribution Plan

Public Deferred Salary Leave Fund

Extended Health Care Plan

Extended Health Care Plan for Retired Employees

Extended Health Care Plan for Certain Other Employees

Extended Health Care Plan for Certain Other Retired Employees

Public Employees Dental Fund

Public Employees Disability Income Plan

Public Employees Group Life Insurance Fund

Scheduled Aircraft Insurance Plan

Unscheduled Aircraft Insurance Plan

The Government of Saskatchewan and Canadian Union of Public Employees Local No. 600-3 Benefits Plans Surplus Fund

The Government of Saskatchewan and Saskatchewan Government and General Employees' Union Benefit Plans' Surplus Fund

Additional Benefit Plans Administered for Employers

The SaskPower Supplementary Superannuation Plan

Saskatchewan Government Insurance Service Recognition Plan

SaskPower Designated Employee Benefit Plan

Saskatchewan Water Corporation Retirement Allowance Plan

Saskatchewan Watershed Authority Retirement Allowance

SaskEnergy Retiring Allowance Plan

SaskPower Severance Pay Credits Plan

SaskPower Millennium RRSP

Appendix D: Publications List

All Saskatchewan Finance publications can be accessed at **www.finance.gov.sk.ca** by clicking on the "Publications" tab.

Ministry of Finance Annual Report
Offers a narrative and financial overview of the operations of the Ministry of Finance for the previous fiscal year and identifies actions for the upcoming fiscal year.

Performance Plan
The performance plan outlines the Ministry of Finance's vision for the future and the goals and objectives that the Ministry intends to accomplish over the medium to longer term. For each objective, a series of specific actions that will be taken in the coming year is presented, along with one or more performance measures, indicating how progress in achieving the objective will be tracked.

Budget Documents and Backgrounders
Offer financial details of the annual Provincial Budget. Published in March of each year. Main documents include the Budget Summary Book, Estimates and Supplementary Estimates.

- **Budget Summary Book**
  Offers an overall view of the Provincial Budget. Includes financial tables, as well as program highlights for the upcoming year.

- **Estimates**
  The Estimates represent the government's financial plan for the General Revenue Fund presented to the Legislative Assembly for the fiscal year commencing April 1, and ending on March 31 of the following year. The Estimates outline the estimated expenditures, revenues, loans, advances and investments of the General Revenue Fund categorized in a manner to inform both the Members of the Legislative Assembly and the public. The Estimates are presented in accordance with *The Financial Administration Act, 1993.*

- **Supplementary Estimates**
  The Supplementary Estimates for the fiscal year ending March 31 represent funding provided by special warrants issued subsequent to the passage of the Main Appropriation Bill for the previous year. Supplementary Estimates are prepared and presented to the Legislative Assembly pursuant to section 14 of *The Financial Administration Act, 1993.*

First Quarter Report
Offers details of the government's financial picture on a General Revenue Fund basis as of the first quarter (April, May, June) of the fiscal year, compared to Budget. Published within 60 days of end of first quarter.

Mid-Year Report
Offers details of the government's financial picture on a General Revenue Fund basis as of the second quarter (April – September) of the fiscal year, compared to Budget and First Quarter. Published within 60 days of end of second quarter.

Third Quarter Report
Offers details of the government's financial picture on a General Revenue Fund basis as of the third quarter (April – December) of the fiscal year, compared to Budget and Mid-Year. Published within 60 days of end of third quarter.

Public Accounts Documents

- **Volume 1**
  Volume 1 of the Public Accounts contains the General Revenue Fund financial statements and the Summary financial statements. It also contains information on the Fiscal Stabilization Fund and the province's debentures. Usually published in June/July.

- **Volume 2**
  Volume 2 of the Public Accounts provides detailed information on revenues and expenses of the General Revenue Fund, information on the trust funds administered by the government and a listing of remissions of taxes and fees. Usually published in September/October.

- **Compendium**
  The Compendium contains the financial statements of various boards, agencies, commissions, pension plans, special purpose funds and institutions, as well as those Crown corporations which are accountable to Treasury Board.

Tax Information Bulletins and Forms
The Revenue Division of Saskatchewan Finance prepares a number of information bulletins and forms about the taxes and programs administered. This information explains how the Provincial Sales Tax, Fuel Tax, Tobacco Tax, Corporation Capital Tax, Liquor Consumption Tax, and other taxes apply in specific situations.

Financial Administration Manual
The Financial Administration Manual (FAM) communicates Treasury Board's policies and the Provincial Comptroller's directives to ministries and public agencies. These financial policies and directives are made pursuant to *The Financial Administration Act, 1993*. FAM contains information to assist ministries and public agencies in controlling, managing and accounting for government financial resources.

Natural Account Manual
The Natural Account Manual provides information on the asset, liability, equity, revenue and expense accounts available for use in MIDAS (the government's central financial system).

Frequently Asked Questions About Government Payment Authorities
Offers guidance about government payment processes to those involved with initiating, approving or processing government payments. It is intended to be used by deputy ministers and other senior managers, program managers and executive directors/directors of administration and their staff.

Australian Medium-Term Note Information Memorandum
The AMTN Programme enables the province to issue debt instruments in the Australian capital market.

Annual Report of the Province of Saskatchewan on Form 18K
The Annual Report is a disclosure document filed with the United States Securities and Exchange Commission, which provides an overview of the economic and fiscal position of the province.

Saskatchewan Bureau of Statistics
www.stats.gov.sk.ca

- **Saskatchewan Provincial Economic Accounts**
  Provides detailed data of the Saskatchewan economy in terms of Gross Domestic Product. Published twice annually.

- **Economic Review**
  Provides a compendium of the most asked questions relating to Saskatchewan statistics, including data on agriculture, business, employment, investment and Gross Domestic Product. Published annually.

- **Monthly Statistical Review**
  Provides up-to-date economic and social statistics relating to Saskatchewan. Produced monthly.

- **Saskatchewan Fact Sheet**
  Provides a snapshot of important Saskatchewan economic and social statistics for the previous two years. Produced annually and in both English and French.

- **Labour Force Survey**
  Tables provide labour force and employment data from the Statistics Canada Labour Force Survey. Produced monthly.

- **Consumer Price Index**
  Tables provide price data from the Statistics Canada Consumer Price Index. Produced monthly.

- **Quarterly Population Report**
  Tables provide population and demography data from the Statistics Canada Demography Division. Produced quarterly.

- **Census Report**
  Provides information from the 2006 Census of Canada.

Public Employees Benefits Agency (PEBA)
PEBA operates as a central body within the Ministry of Finance to administer pension and benefit programs for employees of executive government, Crown corporations and government funded bodies.
www.peba.gov.sk.ca

- **PEBA Annual Reports**
  Annual Reports provide information about the Plan's operations, membership, and administrative expenses and include financial statements for the year. PEBA produces 23 annual reports.

- **Acceptable Documentation**
  This document outlines the documentation that PEBA will use in administering the pension and benefit programs that the Agency is responsible for.

- **Statement of Investment Policies and Goals/Procedures (SIP&G; SIP&P)**
  The following policy documents outline parameters around the investment of the various plans' assets setting rate of return standards, asset mix guidelines and risk tolerance. Documents are used by various fund managers to manage the plans' assets. The boards and commissions use this to evaluate the manager's performance.

  Public Employees Pension Plan
  - PEPP Statement of Investment Policies and Goals – April 2008

  The Saskatchewan Pension Annuity Fund
  - SPAF Investment Policy Summary (as of June 2007)
  - Statement of Investment Policies and Goals (as of June 2007)

  Municipal Employees' Pension Plan
  - Investment Policy Summary (as of March 2008)
  - Statement of Investment Policies and Procedures (as of April 2008)

  Saskatchewan Liquor Board Superannuation Plan
  - Investment Policy Summary (as of March 2008)
  - Statement of Investment Policies and Objectives

- **Public Service Superannuation Plan (PSSP)**

  Saskatchewan Transportation Company Superannuation Plan
  - Investment Policy Summary (as of June 2007)
  - Statement of Investment Policies and Goals

- **Benefits**

  Public Employees Benefits Agency Disability Income Plan
  - Investment Policy Summary (as of March 2006)
  - Statement of Investment Policies and Objectives

  Public Employees Benefits Agency Group Life Insurance Plan
  - Investment Policy Summary (as of March 2008)
  - Statement of Investment Policies and Objectives

- **Member Newsletters**
  The newsletters provide current information to members about Plan provisions, proposed changes to legislation, regulations and administrative matters and address topics of interest to members (i.e., retirement planning, risk management, investments and the pension industry).

  Public Employees Pension Plan (PEPP) – *Pension Perspectives*
  (four times each fiscal year)

  Municipal Employees' Pension Plan (MEPP) – MEPP *Matters*
  (twice each fiscal year)

- **Member Booklets**
  Member Booklets contain detailed information concerning the various plans offered and the benefits available to the members. These are a valuable resource to all Plan members, so that they know their exact entitlements under the various plans.

  Pension Plans
  - Public Employees Pension Plan
  - Municipal Employees' Pension Plan
    General Member
    Designated Police Officer and Firefighter
  - Public Service Superannuation Plan

Benefit Plans
- Public Employees Group Life
- Public Employees Disability Income Plan
  Employee Booklet
  Plan Document
- Public Employees Dental Plan
  Maximum Reimbursement Schedules (MRS) – list the codes and the cost for each procedure that is covered in the Plan. The schedules are updated every year, usually in January.
- Public Employees Deferred Salary Leave Plan

Extended Health Care Booklets
- Extended Health Care Plan PS/GE SGEU Retiree Booklet
- Extended Health Care Plan CUPE 600-3 Retiree Booklet
- Extended Health Care Plan Out-of-scope Retiree Booklet
- Extended Health Care Plan Booklet PS/SGEU and CUPE 600-3: Effective January 1, 2000
- Extended Health Care Plan Booklet (Management) Employees: Effective January 1, 2000

- **Employer Bulletins**
  Bulletins notify employers about legislation, regulations, and administrative changes affecting the Plan, as well as new services being offered to the members or procedural changes.

  PEPP
  PSSP
  MEPP

- **Employer Administration Guides (PEPP)**
  Assists employers in performing their responsibilities necessary for the administration of the Plan.

- **Pension Adjustment Guides**
  Assists users in calculating and reporting Pension Adjustments.

  MEPP
  PSSP

- **Employer Manual (MEPP)**
  Provides instructions to employers regarding administrative and reporting procedures.

- **Employer Defined Benefit Administration Guide (PSSP)**
  Provides instructions to employers regarding administrative and reporting procedures.

- **Other Information**

  Information Sheets
  Provide detailed information on specific topics related to Plan provisions.
  - PEPP *Talk*
  - InfoSheets (PSSP)
  - MEPP In-Depth

  MEPP
  - Actuarial Valuation of the Saskatchewan Municipal Employees' Pension Plan (as at December 31, 2006)
  - Actuarial Valuation Report (as at December 31, 2006) on The Annuities Underwritten by The Municipal Employees' Pension Plan

Appendix E: Legislation

Under Order-in-Council No. 900/2007 dated November 21, 2007, the Minister of Finance is responsible for the following Acts of the Legislative Assembly:

Balanced Budget Act

Certified General Accountants Act, 1994

Certified Management Accountants Act

Certified Management Consultants Act

Chartered Accountants Act, 1986

Corporation Capital Tax Act

Federal-Provincial Agreements Act

Financial Administration Act, 1993

Fiscal Stabilization Fund Act

Fuel Tax Act, 2000

Home Energy Loan Act

Income Tax Act

Income Tax Act, 2000

Insurance Premiums Tax Act

Liquor Consumption Tax Act

Management Accountants Act

Members of the Legislative Assembly Benefits Act

Motor Vehicle Insurance Premiums Tax Act

Municipal Employees' Pension Act

Municipal Financing Corporation Act

Provincial Auditor Act

Provincial Sales Tax Act

Public Employees Pension Plan Act

Public Service Superannuation Act

Revenue and Financial Services Act

Saskatchewan Development Fund Act

Saskatchewan Pension Annuity Fund Act

Saskatchewan Pension Plan Act

Statistics Act

Superannuation (Supplementary Provisions) Act

Tabling of Documents Act, 1991

Tobacco Tax Act, 1998

Although not listed in the Order-in-Council, the Minister is also responsible for the *Appropriation Act.*

Furthermore, the Ministry has responsibilities under the following legislation:

Fire Prevention Act, 1992

Liquor Board Superannuation Act

Provincial Court Act, 1998

Public Health Act, 1994

Saskatchewan Assistance Act

Appendix F: Glossary of Terms

Appropriation
An amount of funding that the Legislature has authorized for a particular purpose.

Credit Rating
An evaluation of the ability and willingness of a borrower to service and repay debt in a timely manner. Credit ratings are a key factor in determining the cost and availability of credit to a borrower. Borrowers with lower credit ratings pay more to lenders or investors than those with a higher rating. Many investors, such as pension funds, have guidelines restricting their lending to only those borrowers with above a minimum standard (level) credit rating.

Debt Servicing Costs
Costs associated with servicing the gross debt of the General Revenue Fund. The costs include interest, foreign exchange gains and losses, discounts, fees and commissions. Costs incurred to service Crown corporation debt are reimbursed by the Crown corporations.

Estimates
Documents tabled outlining the government's detailed financial plan for the year which form the basis for the requested appropriations. Estimates are tabled every year with the Provincial Budget.

Expenditure
The cost of operating government identified with a particular fiscal year or time period. Expenditures include the cost of government operated programs, interest on the public debt, transfer payments and capital acquisitions.

Financial System
Any system, manual or computerized, used to report or process transactions or data related to revenues, expenditures, assets or liabilities.

Fiscal Stabilization Fund (FSF)
The FSF was established April 1, 2000 by *The Fiscal Stabilization Fund Act.* Its purpose is to stabilize the fiscal position of the government to facilitate long-term planning. Stabilization occurs through transfers between the FSF and the General Revenue Fund (GRF) as approved by Treasury Board. Transfers to the FSF from the GRF are statutory disbursements. Amounts transferred to the GRF from the FSF are available for expenditure subsequent to receiving required approval from the Legislative Assembly.

Fiscal Year
The period commencing on April 1 in one calendar year and ending on March 31 in the following calendar year.

General Revenue Fund (GRF)
The fund into which all revenues are paid, unless otherwise provided for by legislation, and from which all expenditures are appropriated by the Legislative Assembly.

General Revenue Fund Financial Statements
The financial statements prepared for the moneys appropriated by the Legislative Assembly.

Gross Debt
The gross debt of the province consists of money owed directly to lenders through the sale of short-term promissory notes and medium and long-term debentures in the capital markets, as well as the amount owed to holders of Saskatchewan Savings Bonds.

Guaranteed Debt
The debt of Crown corporations and others that the province has promised to repay if the debt issuer is unable to do so.

Ministry
An organizational unit of executive government created for the purpose of managing related programs.

Performance Measurement
Performance measurement is a process of regularly assessing progress towards achieving the outcomes articulated in a strategic plan. Measurement results are analyzed, reported and the knowledge gained is used by the organization to modify and improve future plans.

Public Accounts
The Public Accounts of the Government of Saskatchewan are organized into two reports. Volume 1 contains the General Revenue Fund financial statements and the Summary financial statements. These are the main financial statements of the Government of Saskatchewan. Volume 2 contains details on revenue and expenditure of the General Revenue Fund, financial information on the superannuation and trust funds administered by the government, and a listing of remissions of taxes and fees.

Public Performance Results Reporting
The mechanism that government uses to communicate with the public on the achievements of ministries for a specific time period, compared to the intended results laid out in prespecified plans (typically at mid-year or at the end of a fiscal year). All ministries are now required to prepare and report performance plans and results reports as part of their Annual Report.

Revenue
The gross proceeds applicable to a fiscal year from taxes, licences, transfer payments and sources other than borrowing.

Revolving Funds
Funds established by statute which are used to isolate certain items of related revenue and expenditure. Revolving funds are net budgeted in the Estimates, and are used for specific government operations that recover all or a portion of the associated costs from the funds' users.

Sinking Funds
Funds set aside to provide for the orderly retirement of a portion of the province's debt.

Strategic Planning
Strategic planning is a practical, action-oriented process that sets goals and allocates resources to achieve meaningful results over time. Plans describe the outcomes that the organization intends to achieve over the planning period (goals and objectives) and the key actions that will be taken in the short term to move the organization toward its desired outcomes.

Summary Financial Statements
The financial statements that report on the consolidated financial resources and activities of all government organizations, including government boards, agencies, commissions, funds and Crown corporations.

Total Debt
The total debt of the General Revenue Fund consists of:

- gross debt – the amount of money owed to lenders; plus
- guaranteed debt – the debt of Crown corporations and others that the province has promised to repay if they are unable to do so; less
- sinking funds – the amount of money which has been set aside for the repayment of debt.

Transfers
Transfers of money from the Government of Saskatchewan to an individual, organization, authority or other government for which no goods or services are directly received by government and no repayment is expected in the future. Terms such as "grants" and "entitlements" are often used for transfers.

Transfers to Individuals
Direct or indirect transfers of money for which no public service is required of the recipient. These transfers provide the recipient with a financial benefit and are usually in the nature of income support, subsidy or compensation payment. These transfers may include public goods and services that are income tested.

Transfers for Public Service
Transfers to individuals, organizations, Crown corporations and local authorities (for example: school boards, district health boards and municipalities) to fund public services such as health care and education. Transfers to government organizations and corporations, which in turn provide a direct transfer or subsidy to their clients, are treated as a transfer to an individual.

Contact Information

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S4P 4W3
Phone: (306) 787-2992
Fax: (306) 787-0244
www.peba.gov.sk.ca

Consumption Tax Inquiries
Toll Free: 1-800-667-6102
Regina area: (306) 787-6645

Saskatchewan Bureau of Statistics
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